

**BYLAWS
OF
LINDO MAR ADVENTURE CLUB, LTD.**

**ARTICLE I
INTRODUCTION**

Lindo Mar Adventure Club, LTD. (Hereinafter "Club") is a nonprofit corporation existing under the laws of the State of Oregon for the purpose of administering the timeshare project created by that certain Declaration of Restrictions dated December 15, 1986 ("Declaration").

**ARTICLE II
GENERAL PROVISIONS**

Section 1. Definitions. Unless expressly indicated to the contrary, the terms used herein shall have the meanings given them in the Declaration.

(a) Project. "Project" shall mean each Unit, the Common Areas, and the Support Areas related thereto which are available for the use of or on behalf of the Members. The Project shall include Annexed Units, and the Common Areas and Support areas related thereto, which are added in the manner provided in the Declaration.

Section 2. Conflicts. In case any Bylaw conflicts with any provision of law or of the Declaration, the provisions of law and the Declaration shall control.

Section 3. Application. All present and future Members, and occupants of the Units located within the Project, and members of their families, their guest, licensees, and invitees, and any other persons who may use the Project in any manner are subject to the Declaration, these Bylaws, and the Rules and Regulations, as the provisions of each of those instruments may be amended from time to time. The acceptance of a legal or equitable interest to, or the act of occupancy of a Unit, or the entering into a contract to acquire a Membership in the Club, shall constitute an agreement that the Declaration, these Bylaws, and the Rules and Regulations, as each may lawfully be amended from time to time, are accepted, ratified, and will be strictly observed.

**ARTICLE III
MEMBERSHIP AND VOTING PROVISION**

Section 1. Membership. Except as otherwise provided herein, the transfer of a Membership, whether such transfer occurs voluntarily or by operation of law, shall immediately and automatically terminate the transferor's Membership in the Club. The transfer of a membership shall be deemed to have occurred upon the filing of the instrument transferring title from the transferor to the transferee with the Club and the payment of any transfer fees required or authorized by the Project Instruments. The transferee shall, immediately and automatically upon occurrence of the foregoing events, become a Member of the Club. If a Membership is owned by more than one (1) person, then all of the persons so owning said Membership shall be Members of the Club.

Section 2. Voting. The votes of Members, present either in person or by proxy at any duly called Club meeting or election for which a quorum has been established shall decide any question under consideration, and shall constitute the act of and be binding upon the Club, unless provided otherwise by statute, the Declaration, or these Bylaws.

Section 3. Quorum. Except as otherwise provided in the Declaration or by statute, the presence in person or by proxy of Members having twenty-five percent (25%) of the total votes eligible to be voted by all of the Members shall constitute a quorum for all meetings or elections of the Club.

Section 4. Designation of Voting Member. If a Membership is owned by more than one (1) person, the co-owners may, but shall not be required to, designate a Voting Member.

**ARTICLE IV
MEETINGS**

Section 1. Special Club Meetings or Elections. Special Club meetings or elections for any purpose or purposes, unless otherwise prescribed by statute, may be called by the board of directors, and shall be called at the request, in writing of Members representing ten percent (10%) of the total membership, which

request shall state the purpose or purposes of the requested meeting. The business transacted at all special Club meetings shall be confined to the subject(s) stated in the notice thereof.

Section 2. Place of Meeting/Means of Election. All Club meetings shall be held at the Project, or at such other suitable place which is reasonably convenient to the Members as shall be designated by the Board and stated in the notice of the meeting. All meetings and elections shall be open to all the Members. No other persons shall be permitted to attend Club meetings, unless invited by the Board or approved by a majority of the Members attending the meeting in person or by proxy, or as otherwise provided herein. Only members of the Club who are in good standing shall vote in any Club election.

Section 3. Notice of Meetings. The Club shall mail or deliver written notice of all Club meetings or elections to each Member at his address as shown in the records of the Club. Such notice shall be delivered or mailed to each Member by first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days prior to the date of such meeting or election; provided however, that if a Member has not registered his address with the Club, as required herein, such notice may be mailed to such Member's last known address. Each such notice shall state the time, date, and place of such meeting or election, and shall also state whether it is an annual or special meeting or election. In the case of a special Club meeting or election, the notice thereof shall state the business therefore. Upon notice being given in accordance with the provisions hereof, the failure of any Member to receive actual notice of any Club meeting shall not in any way invalidate the meeting or any business transactions thereat.

Section 4. Waiver and Consent. Whenever the vote of Members is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Club, a meeting of the Members may be dispensed with and the matter(s) in question may be voted upon by electronic or mail-in ballot. Mail-in ballots shall be provided for anyone requesting same.

Section 5. Adjournment. Any Club meeting, whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of a majority of the Members present, in person or by proxy. In the absence of a quorum, no other business may be transacted at any Club meeting, except to the extent that these Bylaws or the Declaration provide otherwise. It shall not be necessary to give any notice of any adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment occurs.

Section 6. The Manager. Each Manager, as long as its Management Agreement with the Club remains in effect, shall be entitled to notice of all Club meetings and elections, shall be entitled to attend the Club's meetings, and may designate such persons as it desires to attend such meetings on its behalf.

ARTICLE V BOARD OF DIRECTORS

Section 1. Number and qualification. The affairs of the Club shall be governed by a Board of Directors of five (5) Club Members who have met all of the following criteria: A) They must be, and must remain, current on annual maintenance fees, B) They must be insurable under the Club's Directors and Officers Liability Insurance policy, C) They must meet the standards for bonding as required by the Club's insurance carrier, and D) They must never have been convicted of a felony.

In no event shall a Member and his or her spouse serve as Directors concurrently.

Section 2. Election of Directors by Members. Members shall elect Directors to fill vacancies created by the expiration of their terms of office. Elections under this section shall be by mail-in or electronic ballot as provided for in Article IV, Section 4. Returned ballots must meet the quorum requirements of Article III, Section 3 of these Bylaws. Any Director may be re-elected, and there shall be no limitation on the number of terms which may be served by a Director.

Section 3. Term of Office. Directors shall serve a term of two years.

Section 4. Board Director Removal. The Members may remove one or more Directors elected by them with or without cause. Any Director who has been removed by the Members is eligible to run for re-election to the Board. A Director chosen by the Board to fill the vacancy of a Director elected by the Members may be removed only by the Members if the appointed Director has subsequently been elected to a full term by the members. Prior such election, the appointed Director may be removed by the Board. The process for removal of Directors shall be conducted in accordance with applicable law.

Section 5. Vacancies. If any Director position becomes vacant by reason of death, incapacity, resignation, retirement, or by an increase in the number of Directors, a majority of the remaining Directors, even if less than a quorum, shall choose a Director to fill the vacant position at a regular or special meeting of the Board.

The term of office of any Director chosen by the Board to fill a vacant position created by death, incapacity, resignation, or retirement shall be the balance of the unserved term of the position vacated.

Section 6. Resignation of Directors. Any Director may resign at any time by providing written notice of his or her resignation to the Club. Such resignation shall take effect upon acceptance thereof by the Club Board of Directors. Any Director who ceases to be a Member shall automatically be deemed to have resigned. The transfer of a Membership shall be deemed to have occurred as stated in Article III, Section 1 hereof. Any Director who is more than sixty (60) days delinquent in the payment of any Maintenance Fee shall be deemed to have resigned from the Board of Directors, effective upon the receipt by the Board of notification of such delinquency.

Section 7. Organizational Board Meeting. An organizational meeting of each newly constituted Board of Directors shall be held immediately following each annual

meeting or election. No notice of the organizational Board meeting shall be required.

Section 8. Regular Board Meetings. Regular meetings of the Board of Directors may be held at such time, date, and place as shall be determined from time to time by the Board; provided, however, that at least one (1) such meeting shall be held during the calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, and the Manager, personally or by mail, telephone, or telegraph, at least ten (10) days but not more than fifty (50) days prior to the scheduled meeting date.

Section 9. Special Board Meetings. Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice-President, or by a majority of the Directors, by giving at least ten (10) but not more than fifty (50) days' notice to each Director and to the Manager personally or by mail, telephone, or other electronic means; provided, however, that notice of special Board meetings by telephone conference, if given personally or by telephone, shall only be required to be given at least forty-eight (48) hours prior to such meeting. Notice of special Board meetings shall state the time, date, place, and purpose of the special Board meeting to which they pertain.

Section 10. Meetings by Telephone Conference. Both regular and special Board meetings may be conducted by telephone conference.

Section 11. Waiver of Notice. Any Director may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed to be the equivalent of that Director having actually been given notice of such meeting. Attendance by a Director at any meeting of the Board, either physically or by telephone, shall constitute a waiver by him of notice of the time, date, and place thereof, except when a Director attends a meeting for the express purpose of objecting to the transaction of and business because the meeting is not lawfully called or convened. If all of the Directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present at a Board meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those Directors present may adjourn the meeting, one or more times, to a subsequent time, date, and place, without notice other than the notice given at such meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors may obtain fidelity bonds, in reasonable and prudent amounts, for all Officers, Directors, and employees of the Club who handle or are responsible for Club funds or if any funds of the Club are entrusted to any such Officer, Director or employee. The premiums for such bonds shall constitute a Common Expense

Section 14. Compensation. No Director shall receive any compensation from the Club for acting as such, except for a reasonable Director's fee for attending the meetings of the Board, and no Director shall be compensated for any costs incurred for travel, meals, accommodations, or related expenses incurred in order to attend meetings of the Board of Directors, unless such fee reimbursement or compensation is approved by the affirmative vote of Members casting a majority of the total votes eligible to be voted by the Members of the Club.

Section 15. Attendance by Manager. Each Manager, as long as its Management Agreement with the Club remains in effect shall be entitled to attend the Director's meetings, and may designate such person as it desires to attend such meetings on its behalf.

Section 16. Liability and Indemnification. (a) No Director, Officer, employee or agent of the Club, and no heir, executor, or administrator of any such person,

shall be liable to the Club for any loss or damage suffered by it on account of any action or omission by him as a Director, Officer, employee or agent if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Club, unless with respect to an action or suit by or in the right of the Club to procure a judgment in its favor, such person shall have been judicially determined to be liable for gross negligence or willful misconduct in the performance of his duty to the Club.

(b) The Club shall indemnify each person who has or is party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Club) because he is or was a Director, Officer, employee, or agent of the Club, against expenses (including reasonable attorney's fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Club and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Club, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

The Club shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Club to procure a judgment in its favor because he is or was a Director, Officer, employee or agent of the Club against expenses (including reasonable attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Club, except that no

indemnification shall be made with respect to any claims, issue or matter as to which such person shall have been adjudged to be liable for his duty to the Club, unless and only to the extent that despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the court shall deem proper.

To the extent that a Director, Officer, employee, or agent of the Club has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this Section, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including reasonable attorney's fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under this Section (unless ordered by a court) shall be made by the Club only as authorized in the specific case upon determination that the indemnification of the Director, Officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in this Section. Such determination may be made (1) by the Board by a majority vote of a quorum consisting of Directors who were of parties to such action, suit or proceeding; or (2) if such quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion to the Club.

Expenses incurred by defending a civil or criminal action suit, or proceeding may be paid by the Club in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Directors in a particular case, upon receipt of an undertaking by or on behalf of the Director, Officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Club as authorized in this Section.

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those indemnified may be entitled, shall continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall insure to the benefit of the

heirs, executors, administrators and personal representatives of such person.

The Club shall, so long as it is reasonably available, purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Club against any liability asserted against or incurred by him in any such capacity or arising out of his status as such, whether or not the Club would have the power to indemnify him against such liability under the provisions of this Section. Any such insurance shall be procured from such insurance company as is designated by the Board, and the premiums therefore shall constitute a Common Expense.

Section 17. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Club and may do all such acts and except as by law, by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Members. The powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

(a) To exercise all powers specifically set forth in the Declaration and in these Bylaws, and to exercise all powers incidental thereto;

(b) to prepare and adopt the annual budget of the Club;

(c) To repair, maintain, repaint, improve, alter, furnish, or refurnish the interior portions of all Units; to establish reserves for anticipated costs, including but not limited to the costs of acquisition and replacement of the Common Furnishings; to acquire and pay for equipment, materials, supplies, furniture, Common Furnishings, labor, or services which the Board deems necessary or proper for the maintenance and repair of the Units and Common Areas;

(d) To levy, collect, and enforce Maintenance Fees against the Members in the manner provided in the Rules and Regulations in order to pay all costs of the Project operation, and do all things necessary to enforce each Member's obligations under the Declaration, these By-Laws and the Rules and Regulations;

(e) To employ, dismiss, and control the personnel necessary for the maintenance and operation of the Project including the right and power to employ legal counsel, accountants, contractors, and other professionals, as needed;

(f) To delegate all or a portion of the responsibilities of the Board for the physical and fiscal management of the Project and the Club, respectively, to one (1) or more Agents, including without limitation, the Manager;

(g) To adopt, publish, and enforce, from time to time, the Rules and Regulations relating to the possession, use, and enjoyment of the Units and the Common Areas, which Rules and Regulations shall be consistent with the provisions of the Declaration and these Bylaws;

(h) To open bank accounts on behalf of the Club and its Members, and to designate the signatures required therefore;

(i) To procure insurance, pursuant to the provisions of the Declaration and these Bylaws;

(j) To procure whatever legal, accounting, or other professional services necessary or proper for the operation of the Project and/or for the enforcement of the Declaration, these Bylaws and/or the Rules and Regulations;

(k) To pay the amount necessary to discharge any lien or encumbrance against the Project, if deemed appropriate by the Board, in its sole discretion; provided, that if the Board determines that one or more Members are responsible for such lien or encumbrance, such members shall be jointly and severally liable to the Club for the Cost of discharging it, and any other cost incurred by the Club by reason of such lien or encumbrance;

(l) To appoint such committees as the Board may deem appropriate, which to the extent provided in the resolution appointing such committees, shall have the power of the Board of Directors in the management and affairs and business of the Club. The committees shall have such names as may be determined from time to time by the Board of Directors, shall keep regular minutes of their proceedings, and shall report their findings and recommendations to the Board of Directors, as appropriate.

(m) To enter into and terminate agreements with organizations allowing Members to exchange the use of the Units with owners, lessees, or certificate holders of time periods at other resorts; and/or to otherwise provide for the trading by Members of their interests with other Members within the Project and/or with owners, lessees, or certificate holders of time periods at other resorts.

(n) To acquire by purchase, foreclosure, lease, gift, bequest, or any lawful means real and personal property of any kind in the furtherance of the proper operation and

administration of the Project, and to sell, lease, or concession or otherwise dispose of such real or personal property.

(o) To act on behalf of the Members in certain matters as provided in the Declaration;

(p) To perform all other acts deemed by the Board to be necessary, desirable, and appropriate in order to ensure the proper maintenance, repair, replacement, restoration, improvement, and operation of the Project and to ensure the proper operation and administration of the Club.

ARTICLE VI. OFFICERS

Section 1. Designation. The Officers of the Club shall be the President, Vice-President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may elect an Assistant Treasurer, and Assistant Secretary, and such other Officers as in its judgment may be necessary.

One person may simultaneously hold up to two (2) of the aforementioned positions, except that one (1) person may not simultaneously be both the President and Secretary. The President, the Secretary, and the Treasurer may all be members of the Board of Directors. All officers shall be Members of the Club, except those Officers who are Members of the Board of Directors and are not Members of the Club.

Section 2. Election of Officers. The Officers of the Club shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors.

Section 3. Term and Removal of Officers. Each Officers of the Club shall hold office until his successor is elected, except that each Officer's position shall immediately become vacant when, and if, he ceases to be a Member. Any Officer may be removed at any Board meeting with or without cause, by the Board of Directors; provided, however, that no Officer shall be removed except by the affirmative vote for removal by a majority of the Board of Directors. Any Officer whose removal has been proposed shall be given prompt written notice of his proposed removal and shall be provided with a reasonable opportunity to

attend and to be heard at the Board meeting at which his removal is voted upon. If the office of any Officer becomes vacant for any reason, the vacancy shall promptly be filled through the election of a successor by the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Club. He shall preside at all meetings of the Club and of the Board of Directors. He shall have all the general powers and duties which are incident to the office of the President of a nonprofit, mutual benefit corporation organized under the laws of the State of Oregon, including but not limited to legal counsel, and the power to appoint committees from among the Members from time to time, as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Club.

Section 5. Vice-President. The Vice-President shall assume the powers and duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, a majority of the Directors shall appoint some other Officer to act in the place of the President, on an interim basis. The Vice-President shall also perform such duties as shall from time to time be imposed on him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall, during any period of time in which the Club is temporarily without a Manager, issue notices of all meetings of the Board of Directors and all Club meetings, keep the minutes of all meetings of the Club and of the Board of Directors, and have charge of such books and papers as the /board of Directors may direct. The Secretary shall perform all of the duties incident to the office of the Secretary of a nonprofit, mutual benefit corporation organized under the laws of the State of Oregon to the extent that such duties have not been delegated to the Manager.

Section 7. Treasurer. The Treasurer shall, during any period of time in which the Club is temporarily without a Manager, keep full and accurate financial records and books of account showing all receipts and disbursements, be responsible for the preparation of all required financial data, and

be responsible for the deposit of all money and their valuables in such depositories as may be from time to time designated by the Board of Directors. The Treasurer shall perform all the duties incident to the office of the Treasurer of a nonprofit, mutual benefit corporation organized under the laws of the State of Oregon, to the extent that such duties have not been delegated to the Manager.

Section 8. Execution of Instruments. All agreements, contracts, deeds, leases, checks and other instruments of the Club shall be executed by any two of the following Officers: President, Vice-President, Secretary or Treasurer; or by such other person or persons as may be designated by the Board of Directors, including the Manager.

Section 9. Compensation of Officers. No Officer shall receive any compensation from the Club for acting in his capacity as an Officer unless such compensation is approved by the affirmative vote of Members casting a majority of the total votes eligible to be voted by the Members of the Club.

ARTICLE VII. MANAGER

Section 1. Management Agreement. The Board, on behalf of the Club, shall exercise due diligence to at all times employ a responsible managing Agent as the Manager, and shall enter into Management Agreements with reasonable terms and renewal periods, subject to non-renewal by the Board or the Manager.

Section 2. Powers and Duties. The Manager shall have all such powers and duties as are delegated to or imposed upon it by the Board, from time to time, as set forth in the Management Agreement.

Section 3. Legal Action. The Manager, subject to the direction of the Board of Directors, may represent the Club in any action, suit, or other proceeding concerning one (1) or more Members or one (1) or more Memberships, provided that nay such action shall be brought in the name of the Club.

ARTICLE VIII. FINANCES AND MAINTENANCE FEES

Section 1. Depositories. The funds of the Club shall be deposited in such banks and depositories, with deposits insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, as may from time to time be selected by the Club, in a manner to indicate the custodial nature thereof, and shall be withdrawn by the Club for the payment of the Club's expenses, in accordance with the provisions of the Bylaws and Declaration.

Section 2. Fiscal Year. The fiscal year for the Club shall be the calendar year; provided, however, that the Board of Directors may, in its sole discretion, change to a different fiscal year in the event that the Board of Directors deems it advisable to do so.

Section 3. Application of Payments and Commingling of Funds. All sums collected by the Club from Assessments or otherwise, may be commingled in a single fund or divided into more than one fund, as determined by the Board of Directors. All Assessments paid by a Member shall be applied to interest, delinquencies, costs, and attorney's fees, other charges, expenses, and advances as provided herein and in the Declaration, in such manner and amounts as the Club determines in its sole discretion, unless otherwise directed by the Board. All Members as shown in the records of the Club shall be entitled to inspect the Club's records of its receipts and disbursements at the office of the Club during convenient Hours. Upon ten (10) days notice to the Club or the Board of Directors, any Member shall be furnished with a statement of his account setting forth the amount of any unpaid Assessments or other charges due and owing from such Member. The Club shall be responsible, the agent for each Member, for paying the Common Expenses of the Project, subject to the supervision and direction of the Board. Neither the Board nor the Manager shall be individually liable for the payment of any of the Common Expenses; rather, they shall merely serve to direct and authorize the payment of the Common Expenses on behalf of the Members.

Section 4. Audit. An audit of the accounts of the Club shall be made upon the written petition of Members eligible to cast at

least seventy-five percent (75%) of the total votes of the Members of the Club. Such an audit shall not be required more than once in any consecutive twelve (12) month period. Said audit shall be prepared by such accounting firm as the Board selects, in its sole discretion, and a copy of said audit shall be available to the Members of the Club in the office of the Manager. Such report shall be available no later than six (6) months after receipt by the Club of the aforesaid written petition and shall be for the preceding fiscal year.

Section 5. Annual Statement. The Board of Directors shall present at the annual meeting of Members of the Club, and when called for by a vote of the Members, at any special meeting of the Members, a complete statement of the financial condition of the Club. The Club and any Manager shall maintain accounting records according to good accounting practices.

ARTICLE IX COMPLIANCE AND DEFAULT

Section 1. Violations. In the event of a violation (other than the non-payment of an Assessment) by a Member or his family, guests, invitees or licensees of any of the provisions of the Declaration, Rules and Regulations and Bylaws ("Project Instruments") the Club may, without prejudice to any other lawful method of curing the violation, exercise any one or more of the following remedies:

(a) Maintain a legal action to recover damages, on behalf of the Club or on behalf of the other Members;

(b) Maintain a legal action for such equitable relief as may be necessary under the circumstances, including injunctive relief;

(c) Impose a reasonable monetary fine and/or suspension of Membership rights as determined by the Board.

Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency and the cost thereof shall be a Personal Charge to the Member responsible for the violation, which shall constitute a lien upon his Membership as provided in the Declaration.

Section 2. Negligence or Carelessness of Member. Each Member shall be liable for the expense of any Maintenance, repair, or replacement rendered necessary by his act, negligence or carelessness, or by the act, negligence or carelessness of any member of his family, or his or their guests, invitees, licensees, employees, agents, or lessees (excluding exchange users), but only to the extent that such expense is not met by the proceeds of insurance carried by the Club. Such liability shall include any increase in insurance rates occasioned by the use, misuse, occupancy, or abandonment of any Unit or the Project. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights to subrogation. The expense for any maintenance, repair or replacement, as provided in this Section shall be charged to said Member as a Personal Charge which shall constitute a lien against his Membership as provided in the Declaration.

Section 3. Cost and Attorney's Fee. In any proceeding arising because of any alleged violation by a Member or his family, guests, invitee or licensees, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

Section 4. No Waiver of Rights. The failure of the Club or Member to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws or the Rules and Regulations, as each may exist from time to time, shall not constitute a waiver of the right of the Club or any aggrieved Member to enforce such right, provision, covenant, or condition in the future.

Section 5. Election of Remedies. All rights, remedies, and privileges granted to the Club, the Manager, or the Members, pursuant to any terms, provisions, covenants, or conditions of the Declaration, these Bylaws or the Rules and Regulations, as each may exist from time to time, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be granted to such other

party by the Project instruments or at law or in equity.

ARTICLE X AMENDMENTS TO THE BY-LAWS

These Bylaws may be amended by the Directors at any time in order to comply with the requirements of any jurisdiction in which Memberships will be sold or where the Property is located, provided that no such amendment may adversely affect any rights or increase any obligations of the Members hereunder. For other purposes, these Bylaws may be amended by the vote or written consent of at least a majority (more than half) of the voting power of the Members, unless a different percentage is required by a specific section or provision of these Bylaws to amend that section.

ARTICLE XI LIENS

Section 1. Notice of Lien. Each Member shall give written notice to the Club of every lien upon his Membership, other than liens for the non-payment of Club Maintenance Fees, within five (5) days after the attaching of the lien.

ARTICLE XII RULES AND REGULATIONS

Section 1. Adoption. The Board of Directors shall have the right to establish and amend, from time to time, such uniform rules and regulations (herein called "Rules and Regulations") as the Board may deem necessary and appropriate for the management, preservation, safety, control, and orderly operation of the project and for the benefit of all Members and Unit occupants. Such Rules and Regulations may, to the extent not in conflict with the provisions of the Declaration and these Bylaws, impose reasonable restrictions upon the use and occupancy of any portion of the Project as the Board, in its sole and absolute discretion, deems necessary and appropriate. Each Member agrees that all his rights pursuant to his Purchase Agreement shall be in all respects subject to the Rules and Regulations, and each Member agrees to obey such Rules and Regulations as the same may lawfully be amended from time to time, and to insure that

the same are faithfully observed by the members of his family, his guests, invitees, and licensees. Each person who comes within the Project shall be subject to the Rules and Regulations for the duration of his presence therein. A copy of the Rules and Regulations, as amended upon time to time, shall be made available to the Members upon request and shall be mailed or delivered to transferees of each membership upon receipt by the Manager or the Club of notice of such transfer. The Initial Rules and Regulations shall be promulgated by the Board prior to the sales of any Memberships in the club.

Section 2. Conflicts. In the event a provision hereof conflicts with any provision of the Declaration or the laws of the State of Oregon, the provision in the Declaration or the applicable law, as the case may be, shall control.

ARTICLE XIII NOTICE AND HEARING PROCEDURE

Section 1. Suspension of Privileges. A Member's right to vote and right to occupy any Unit shall be automatically suspended during any period in which such Member is delinquent in the payment of sums due the Club or sums due under the Purchase Agreement for such Member's Membership ("Automatic Suspension"). The Board shall notify the Member promptly of such an Automatic Suspension after any such delinquency arises. In the event of any other alleged violation of the Declaration, these Bylaws or the Rules and Regulations of the Club, and after written notice of such alleged failure is delivered personally or mailed to the Member ("respondent") alleged to be in default in the manner herein provided, or to any agent of the respondent, by first class mail or by certified mail return receipt requested or both, the Board of Directors shall have the right, after affording the respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors on the Board, to take any one (1) or more of the following action: (1) levy a Personal Charge as provided in the Declaration; (2) suspend or condition the right of said Member to use any facilities operated or maintained by the Club; (3) suspend said Member's voting privileges as a Member; or (4) cancel and terminate said

Member's Membership. Any suspension shall be for a period of not more than thirty (30) days for any non continuing infraction, but in the case of a continuing infraction may be imposed for so long as the violation continues. The failure of the Board to enforce the Rules and Regulations of the Club, by these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by these Bylaws shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Club prescribed by these Bylaws, or by the Rules and Regulations of the Club, before that member may resort to a court of law for relief with respect to any alleged violation of the Declaration, these Bylaws or the Rules and Regulations of the Club by another member.

Section 2. Written Complaint. Except in the case of an Automatic Suspension, a hearing to determine whether a right or privilege of the respondent under the declaration or these Bylaws should be suspended or conditioned, or whether a Personal Charge should be levied, or whether a Membership shall be canceled or terminated, shall be initiated by the filing of a written complaint by any Member or by any officer or member of the Board of Directors with the President of the Club or other presiding member of the Board. The Complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which respondent is charged, and a reference to the specific provisions of the Declaration, these Bylaws or the Rules and Regulations of the Club which the respondent is alleged to have violated. A copy of the Complaint shall be delivered to the respondent in accordance with the notice procedures set forth in the Declaration, together with a statement which shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as respondent in the accompanying complaint is delivered or mailed to the Board of Directors within twenty (20) days after the Complaint, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing." The

request for a hearing may be made by delivering or mailing the enclosed form entitled "Notice of Defense" to the Board of Directors at the following address:

LINDO MAR ADVENTURE CLUB, LTD.
14110 S. E. McLoughlin Blvd. Suite #6
P.O. Box 68528
Portland, OR 97268

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings with this matter in the possession, custody or control of the Board of Directors, you may contact:

LINDO MAR ADVENTURE CLUB, LTD.
14110 S.E. McLoughlin Blvd. Suite #6
P.O. Box 68528
Portland, OR 97268

The respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Defense.

Section 3. Notice of hearing. The Board shall serve a notice of hearing, as provided herein, on all parties at least ten (10) days prior to the hearing, if such hearing is requested by the respondent. The hearing shall be held no sooner than thirty (30) days after the Complaint is mailed or delivered to the respondent as provided in Section 2. The notice to the respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of the Club at:

14110 S. E. McLoughlin Blvd. Suite #6
Portland, OR 97267

on the _____ day of _____, 19 __, at the hour of __, upon the charges made in the Complaint served upon you. You may be present at the hearing, may (but need not) be represented by counsel, may present any relevant evidence, and will be given full

opportunity to cross-examine all witnesses testifying against you. You are entitled to request the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors of the Club."

Section 4. Hearing. The hearing shall be held before the Board in executive session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction thereunder, proof of notice, and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer or Director who mailed or delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. Except for an Automatic Suspension, no decision of the Board of Directors against a Member arising from the alleged violation shall take effect prior to the expiration of (a) fifteen (15) days after the Member's actual or constructive receipt, whichever occurs first) of the notice of hearing, or (b) five (5) days after the hearing required herein.

**ARTICLE XIV
DISSOLUTION**

Upon the winding up and dissolution of the Club, after paying or adequately providing for the debts and obligations of the Club, the remaining assets shall be distributed to the Members of the Club (subject to the rights of any lender) in the same proportion as the number of Memberships owned by each Member bears on the total number of all Memberships in the Club. However, no distribution shall be made to any Member until such amounts as may be then due under the Purchase Agreement covering such Member's Membership as well as all Maintenance Fees, Special Assessments, and/or Personal Charges accrued prior to dissolution under provisions of the Declaration have been paid in full. All such obligations may be deducted from a member's share of dissolution proceeds.

Any winding up and dissolution of the Club as referenced in this Article XIV of the Club's bylaws or Article VII of the Club's Articles of Incorporation shall require the affirmative vote of at least seventy-five percent (75%) of the voting power of the Club. Amendment or rescission of this Article XIV shall also require the affirmative vote of at least seventy-five percent (75%) of the voting power of the Club.

ARTICLE XV. MISCELLANEOUS

Section 1. Transfer of Memberships.

A Member may transfer her Membership to a third party which transfer shall become effective when notice of the transfer is filed with the Secretary of the Club. The notice shall be in a form acceptable to the Club and shall;

(i) set forth the name, address and telephone number of the transferee and transferor,

(ii) identify the Membership so transferred, and

(iii) include the agreement of the transferee to be bound by and to assume all the obligations of a Member under the Project Documents and Purchase Agreement. Notwithstanding anything contained herein to the contrary, a transfer shall not be effective if any amounts owing under the Purchase Agreement or as Annual Maintenance Dues are past due and delinquent.

Section 2. Liability survives Transfer of Membership Interest. Unless specifically released in writing by the Club, the transferor of a Membership shall continue to remain obligated for all future amounts owing on said Membership as provided in the Project Documents.

Section 3. Notices. Each Member shall register his mailing address with the Club promptly upon his becoming a Member, and shall promptly notify the Club of any change of address. Any Notices required to be sent hereunder to the Club or its Board of Directors shall be sent by first class mail to the Club at P.O. Box 68528, Portland, OR, 97268 or 14110 S. E. McLoughlin Blvd., Suite #6, Portland, OR, 97267, or as otherwise directed by the Club. All notices required to be sent to any Member shall be sent first class mail, postage prepaid, to such Member's most recent

address of record; provided, however, that if a Member has not registered his address with the Club, all notices required to be given to such Member hereunder may be given by mailing such notices to the Member's last known address in the Member's name. All notices shall be deemed to have been given when mailed, postage prepaid, except notices of change of address, which shall be deemed to have been given when received.

Section 5. Limitation of Liability.

The Club shall have no liability to the Members to guarantee the success of the Project. The liability of the Club shall be limited to the assets of the Club, and shall not be imputed to the Members.

Section 6. Force Majeure. The Club shall not be responsible for its inability to perform its duties if occasioned by strike, war, riot, or revolutions, or for any delay due to demands or embargoes of the government of the Republic of Mexico or any other government, or delays through fire, floods, droughts, earthquakes, accidents, insurrections, lock-outs, breakdown of machinery, commandeering of vessels or vehicles carrying goods, or for loss of damage in transit resulting directly or indirectly from acts of God, perils of the sea, stoppage of labor, shortage of carriers, or refusal of any necessary license or government restrictions considered as "Force Majeure," or any other unavoidable cause other than the Club's own negligence.

Section 7. Parliamentary Rules and Robert's Rules of Order. All meetings of the Board of Directors and the Club shall be conducted in accordance with the then current edition of Robert's Rules of Order.

Section 8. Severability. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

Section 9. Captions. The captions used in the Bylaws are solely as a matter of convenience and shall not be relief upon and/or used in construing the effect or meaning of any other provision thereof.

Section 10. Number and Gender.

Whenever the context so requires, the use of either gender in the Bylaws shall be deemed to include both genders, and the use of the singular shall be deemed to include the plural, and the plural shall include the singular.

Section 11. Interpretation.

The provisions of the Bylaws shall be liberally construed to insure that the Project shall at all times be operated and maintained in a manner so as to optimize and maximize the enjoyment and utilization by each Member as a vacation resort.

Section 12. Waiver.

No restriction, condition, obligation, or provision contained in the Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 13. Choice of Law.

These Bylaws shall be construed in accordance with the laws of the State of Oregon. Adopted this 15th day of December, 1986.

LINDO MAR ADVENTURE CLUB, LTD.

BY:

JOHN GILBERT, PRESIDENT

Dated This Twenty-First Day of August in the Year 1995.